

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

IN RE	)	
	)	
ALEXANDER E. JONES	)	CASE No. 22-33553
	)	
DEBTOR.	)	(CHAPTER 11)
	)	
	)	JUDGE CHRISTOPHER M. LOPEZ

**SECOND MONTHLY FEE STATEMENT OF RACHEL KENNERLY, LLC FOR  
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AS  
TAX ACCOUNTANT TO THE DEBTOR FOR THE PERIOD FROM  
FEBRUARY 1, 2023 THROUGH MARCH 31, 2023**

Name of Applicant:	Rachel Kennerly, LLC	
Applicant's Role in Case:	Tax Accountant to Debtor	
Date Order of Appointment Signed:	January 20, 2023 (Dkt #111)	
	Beginning of Period	End of Period
Time Period Covered in Statement:	02/01/2023	03/31/2023
Summary of Total Fees and Expenses Requested		
Total Fees Requested in this Statement:		\$5,640.00 <sup>1</sup> (80% of \$7,050.00)
Total Reimbursable Expenses Requested in this Statement:		\$0.00
Summary of Fees for the Period Covered by this Statement		
Professional Fees in this Statement:		\$5,640.00
Total Actual Professional Hours Covered by this Statement:		23.50
Average Hourly Rate for Professionals:		\$300.00

**In accordance with the *Order Granting Motion for Entry of an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Chapter 11 Professionals* [Docket No. #106], each party receiving notice of the monthly fee statement will have 14 days after service of the monthly fee statement to object to the requested fees and expenses. Upon the expiration of such 14 day period, the Debtor is authorized to pay the Professional an amount of 80% of the fees and 100% of the expenses requested in the applicable monthly fee statement.**

<sup>1</sup> Kennerly's First Monthly Fee Statement inadvertently indicated it was holding \$200,000.00 as a retainer in its trust account. The correct retainer balance at the time of filing the First Monthly Statement was \$1,250.00. As of the filing of this Monthly Fee Statement Kennerly is holding -0- funds as a retainer in its trust account.

Pursuant to §§ 327, 330, 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”), and the *Order Granting Motion for Entry of an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* (the “Interim Compensation Order”) [Docket No. 106], Rachel Kennerly (“Kennerly”), as tax accountant to the Debtor, hereby files its *Second Monthly Fee Statement of Rachel Kennerly, LLC for Allowance of Compensation for Services Rendered as Tax Accountant to the Debtor for the Period from February 1, 2023 through March 31, 2023* (the “Monthly Fee Statement”).

#### **RELIEF REQUESTED**

1. By this Monthly Fee Statement, and pursuant to the Interim Compensation Order, Kennerly seeks interim payment of \$5,640.00 (80% of \$7,050.00) as compensation for professional services rendered to the Debtor during the period from February 1, 2023 through March 31, 2023 (the “Fee Period”); and reimbursement of actual and necessary expenses in the amount of \$0.00, for a total amount of 5,640.00 to be paid upon expiration of the objection deadline barring any objections, pursuant to the Interim Compensation Order.

2. In support of the Monthly Fee Statement, Kennerly submits a *Summary of Expenses for the Fee Period*, attached hereto as **Exhibit A**, a *Summary of Fees by Category as Tax Accountant for the Fee Period*, attached as **Exhibit B**, and a *Detailed Record of Fees as Tax Accountant for the Fee Period*, attached hereto as **Exhibit C**.

3. Pursuant to the Interim Compensation Order, any party objecting to the payment of the compensation and reimbursement of expenses requested herein shall serve on the undersigned counsel and the following Retained Professionals (as defined in the Interim Compensation Order),

and each of the other Notice Parties a written objection (the “Objection”) so that it is received on or before the Objection Deadline:

- a. Co-Counsel to Debtor, Jordan & Ortiz, P.C., 500 North Shoreline Blvd., Suite 900, Corpus Christi, TX 78401 (Attn: Shelby Jordan, [sjordan@jhwclaw.com](mailto:sjordan@jhwclaw.com))
- b. U.S. Trustee c/o Ha Minh Nguyen and Jayson ruff, Office of the United States Trustee 515 Rusk St, Ste 3516 Houston, TX 77002, [ha.nguyen@usdoj.gov](mailto:ha.nguyen@usdoj.gov), [jayson.b.ruff@usdoj.gov](mailto:jayson.b.ruff@usdoj.gov)
- c. Proposed Counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: David M. Zensky, Marty L. Brimmage, Jr., Sara L. Brauner and Melanie A. Miller; [dzensky@akingump.com](mailto:dzensky@akingump.com), [mbrimmage@akingump.com](mailto:mbrimmage@akingump.com), [sbrauner@akingump.com](mailto:sbrauner@akingump.com), [melanie.miller@akingump.com](mailto:melanie.miller@akingump.com))
- d. Counsel to Connecticut Plaintiffs, (a) Koskoff Koskoff & Bieder PC, 350 Fairfield Avenue, Bridgeport, CT 06604 (Attn: Alinor Sterling, [ASterling@koskoff.com](mailto:ASterling@koskoff.com)) and (b) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kyle J. Kimpler and Martin Salvucci, [kkimpler@paulweiss.com](mailto:kkimpler@paulweiss.com), [msalvucci@paulweiss.com](mailto:msalvucci@paulweiss.com))
- e. Counsel to Texas Plaintiffs, (a) McDowell Hetherington LLP, 1001 Fannin Street, Suite 2700, Houston, TX 77002 (Attn: Avi Moshenberg, [avi.moshenberg@mhllp.com](mailto:avi.moshenberg@mhllp.com)) and (b) Chamberlain, Hrdlicka, White, Williams & Aughttry, PC, 1200 Smith Street, Suite 1400, Houston, TX 77002 (Attn: Jarrod B. Martin, [Jarrod.Martin@chamberlainlaw.com](mailto:Jarrod.Martin@chamberlainlaw.com))
- f. Any other parties that the Court may designate.

In light of the nature of the relief requested herein, Kennerly submits that no further or other notice is required.

4. Although every effort has been made to include all fees and expenses incurred in the Fee Period, some fees and expenses might not be included in this Monthly Fee Statement due to delays caused by accounting and processing during the Fee Period. Kennerly reserves the right to make further application to this Court for allowance of such fees and expenses not included

herein. Subsequent Monthly Fee Statements will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Interim Compensation Order.

5. Therefore, Kennerly respectfully submits support for its fees in the amount of \$7,050.00 for reasonable, actual and necessary services rendered by it on behalf of the Debtor during the Fee Period and \$0.00 for reasonable, actual and necessary expenses incurred during the Fee Period. Kennerly further submits that, pursuant to the Interim Compensation Order, and pending the expiration of the objection deadline, if no objections to the Fee Statement are received, that the Debtor shall be authorized to immediately pay to Kennerly the amount of \$5,640.00 which is equal to the sum of 80% of Kennerly's fees and 100% of Kennerly's expenses incurred during the Fee Period.

Houston, TX  
Dated: April 30, 2023

**RACHEL KENNERLY, LLC.**

By: /s/ Rachel Kennerly  
Rachel Kennerly  
3035 Ted Trout Dr.  
Lufkin, TX 75904  
Telephone: 903-631-0317  
Email: rachel@kennerlycpa.com

**TAX ACCOUNTANT FOR DEBTOR,  
ALEXANDER E. JONES**

### CERTIFICATE OF SERVICE

I certify that on April 30, 2023, a true and correct copy of the foregoing pleading was served upon the parties listed on the attached service list via the Court's ECF system and pursuant to Local Rule 9003-1, via e mail or U.S. mail as follows:

- a. Co-Counsel to Debtor, Jordan & Ortiz, P.C., 500 North Shoreline Blvd., Suite 900, Corpus Christi, TX 78401 (Attn: Shelby Jordan, [sjordan@jhwclaw.com](mailto:sjordan@jhwclaw.com))
- b. U.S. Trustee c/o Ha Minh Nguyen and Jayson ruff, Office of the United States Trustee 515 Rusk St, Ste 3516 Houston, TX 77002, [ha.nguyen@usdoj.gov](mailto:ha.nguyen@usdoj.gov), [jayson.b.ruff@usdoj.gov](mailto:jayson.b.ruff@usdoj.gov)
- c. Proposed Counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: David M. Zensky, Marty L. Brimmage, Jr., Sara L. Brauner and Melanie A. Miller; [dzensky@akingump.com](mailto:dzensky@akingump.com), [mbrimmage@akingump.com](mailto:mbrimmage@akingump.com), [sbrauner@akingump.com](mailto:sbrauner@akingump.com), [melanie.miller@akingump.com](mailto:melanie.miller@akingump.com)
- d. Counsel to Connecticut Plaintiffs, (a) Koskoff Koskoff & Bieder PC, 350 Fairfield Avenue, Bridgeport, CT 06604 (Attn: Alinor Sterling, [ASterling@koskoff.com](mailto:ASterling@koskoff.com)) and (b) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kyle J. Kimpler and Martin Salvucci, [kkimpler@paulweiss.com](mailto:kkimpler@paulweiss.com), [msalvucci@paulweiss.com](mailto:msalvucci@paulweiss.com))
- e. Counsel to Texas Plaintiffs, (a) McDowell Hetherington LLP, 1001 Fannin Street, Suite 2700, Houston, TX 77002 (Attn: Avi Moshenberg, [avi.moshenberg@mhllp.com](mailto:avi.moshenberg@mhllp.com)) and (b) Chamberlain, Hrdlicka, White, Williams & Aughtry, PC, 1200 Smith Street, Suite 1400, Houston, TX 77002 (Attn: Jarrod B. Martin, [Jarrod.Martin@chamberlainlaw.com](mailto:Jarrod.Martin@chamberlainlaw.com))
- f. Any other parties that the Court may designate.

/s/ Christina W. Stephenson

Christina W. Stephenson

**EXHIBIT “A”**

**SUMMARY OF EXPENSES FOR THE FEE PERIOD**

<b>EXPENSE</b>	<b>TOTAL</b>
Ground Transportation	<b>0.00</b>
Lodging/Travel	<b>0.00</b>

**EXHIBIT “B”****SUMMARY OF LEGAL FEES AND EXPENSES BY CATEGORY  
FOR THE FEE PERIOD**

<b><u>CATEGORIES</u></b>	<b><u>ATTORNEY TIME</u></b>
B110 Case Administration	0.00
B120 Asset Analysis and Recovery	0.00
B130 Asset Disposition	0.00
B140 Relief from Stay/Adequate Protection	0.00
B150 Meetings of & Communications with Creditors	0.00
B160 Fee/Employment Applications	0.00
B170 Fee/Employment Objections	0.00
B180 Avoidance Action Analysis	0.00
B185 Assumption/Rejection of Executory Contracts	0.00
B190 Other Contested Matters	0.00
B195 Non-Working Travel	0.00
B210 Business Operations	0.00
B220 Employee Benefits/Pensions	0.00
B230 Financing/Cash Collections	0.00
B240 Tax Issues	23.50
B250 Real Estate	0.00
B260 Board of Directors Matters	0.00
B310 Claims Administration and Objections	0.00
B320 Plan and Disclosure Statement	0.00
B410 General Bankruptcy Advice/Opinions	0.00
B420 Restructurings	0.00
<b>TOTALS:</b>	<b>23.50</b>

**EXHIBIT “C”**

**DETAILED RECORD OF FEES FOR THE FEE PERIOD**





March 31, 2023

Alex E. Jones  
c/o Shelby A. Jordan  
**Jordan & Ortiz, P.C.**  
6207 Bee Cave Road, Suite 120  
Austin, TX 78746

Re: **Alexander E. Jones, Debtor In Possession** Case No. **22-33553**

Billing Period: **February 1 through February 28, 2023**  
Invoice No. **AJ20230228**

**Professional Services****Rendered:**

<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>	<u>Task Code</u>
2/8/2023	RK	Follow up with Melinda re: fixed asset questions	0.25	75.00	B240
2/9/2023	RK	Work on 2021 tax return	1.00	300.00	B240
2/9/2023	RK	Telephone call w/Bob S. re: status update of 2021 tax return	0.50	150.00	B240
2/10/2023	RK	Telephone call w/Bob re: 2021 tax return	0.25	75.00	B240
2/13/2023	RK	Work on 2021 tax return	1.50	450.00	B240
2/13/2023	RK	Emails to/from Bob S re: income tax info needed	0.50	150.00	B240
2/14/2023	RK	Emails & telephone correspondence w/Bob S. re: status of 2021 tax return/info needed	0.75	225.00	B240
2/16/2023	RK	Telephone call w/Bob re: crypto & helicopter lease	0.25	75.00	B240
2/16/2023	RK	Email Jeff & Dani re: status of 2022 accounting data	0.25	75.00	B240
2/23/2023	RK	Work on 2021 tax return	2.25	675.00	B240
2/23/2023	RK	Telephone consult w/Bob S & Nancy Collins re: taxability of crypto gifts	1.25	375.00	B240
2/23/2023	RK	Forward prelim copy of return to Bob	0.25	75.00	B240
			<b>9.00</b>	<b>\$ 2,700.00</b>	

**Expenses**

From attached expense breakdown

**Total Invoice Amount**

\$ -  
**\$ 2,700.00**

**Rachel Kennerly, LLC**  
**3039 Ted Trout Dr**  
**Lufkin, TX 75904**



April 30, 2023

Alex E. Jones  
c/o Shelby A. Jordan  
**Jordan & Ortiz, P.C.**  
6207 Bee Cave Road, Suite 120  
Austin, TX 78746

Re: **Alexander E. Jones, Debtor In Possession** Case No. **22-33553**

Billing Period: **March 1 through March 31, 2023**  
Invoice No. **AJ20230331**

**Professional Services****Rendered:**

<u>Date</u>	<u>Professional</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>	<u>Task Code</u>
3/1/2023	RK	Telephone call w/Bob S re: return status	0.50	150.00	B240
3/8/2023	RK	Telephone & email correspondence w/Bob S re: return status; crypto; helicopter lease	0.75	225.00	B240
3/16/2023	RK	Forward copies of JLJR q's to Bob	0.50	150.00	B240
3/18/2023	RK	Consult w/T. Toucet, CPA re: crypto gifts	0.50	150.00	B240
3/20/2023	RK	Telephone consult w/Nancy Collins re: crypto gifts	0.50	150.00	B240
3/21/2023	RK	Finalize tax return; reconcile to tax workpapers	2.00	600.00	B240
3/22/2023	RK	Prep for & meet w/Bob to review 2021 tax return; paperwork for bankruptcy court	4.00	1,200.00	B240
3/22/2023	RK	2022 Tax projection	1.50	450.00	B240
3/23/2023	RK	Complete 2022 Tax projection; forward to Bob	0.75	225.00	B240
3/25/2023	RK	review email from Bob re: youngevity; update 2021 tax return; forward to Bob	1.25	375.00	B240
3/28/2023	RK	correspondence w/Bob re: 2021 return	0.50	150.00	B240
3/29/2023	RK	File return - issues w/spouse's name not matching IRS database; update 2020 carryforward	1.50	450.00	B240
3/30/2023	RK	Forward e-file confirmation to Bob	0.25	75.00	B240
			<b>14.50</b>	<b>\$ 4,350.00</b>	

**Expenses**

From attached expense breakdown

**Total Invoice Amount**

\$ -  
**\$ 4,350.00**

**Rachel Kennerly, LLC**  
**3039 Ted Trout Dr**  
**Lufkin, TX 75904**